

Legislative Fiscal Bureau

Fiscal Note

SF 317 - False Use of Credit Cards (LSB 2031 SV)

Analyst: Beth Lenstra (Phone: (515) 281-6301) (beth.lenstra@legis.state.ia.us)

Fiscal Note Version — New

Requested by Senator John Putney

Description

Senate File 317 relates to the criminal offense of fraudulent use of a credit card. The Bill sets the limits on the value of property illegally obtained. Senate File 317 permits separate acts to be combined into one scheme, if one person, or multiple people at different locations commits the illegal acts. The Bill also creates a new crime, illegal use of scanning device or reencoder. Senate File 317 enhances existing penalties for credit card fraud and creates a graduated system of penalties for illegal use of a scanning device or reencoder.

Assumptions

1. Charge, conviction, and sentencing patterns and trends will not change over the projection period.
2. Prisoner length of stay, revocation rates, and other corrections practices and policies will not change over the projection period.
3. The law will be come effective July 1, 2003. A lag effect of six months is assumed, from the effective date of the change in the law to the date of first entry of affected offenders into the correctional system.
4. The analysis is based on information obtained from the Justice Data Warehouse, which includes statewide court and Community-Based Corrections (CBC) information.
5. There were 171 people convicted of violations of Section 715A.6, Code of Iowa, in FY 2002. Of these, 115 were convicted of aggravated misdemeanors, 34 were convicted of Class D felonies, and 22 convictions were for an unknown Class level. Approximately 25.0% of offenders (33) were charged with multiple counts of the aggravated misdemeanor offense.
6. The median cost per case for indigent defense is \$1,000 for an aggravated misdemeanor or Class D felony and \$1,200 for a Class C felony.
7. The average daily cost for parole is \$1.82 per offender. The average length of stay on parole for an aggravated misdemeanor conviction is 5 months, for a Class D felony conviction is 13 months, and for a Class C felony conviction is 19 months.
8. The marginal cost per day for State prisons is \$12.00 per offender. The average length of stay for new admissions for an aggravated misdemeanor conviction is 8 months, for a Class D felony conviction is 15 months, and for a Class C felony conviction is 22 months.
9. The average cost per aggravated misdemeanor trial for the court system ranges from \$76 to \$466, depending on if a jury is used. The average cost per Class C or D felony trial for the court system ranges from \$195 to \$1,235, depending on if a jury is used.

Correctional Impact

There will be at least ten offenders convicted as Class D felons annually that would have been aggravated misdemeanors under current law. All ten offenders would have been sentenced to prison under current law. However, under SF 317, the offenders will be sentenced as Class D felons and their length of stay in prison will be longer than under current law. The prison population will increase by five offenders annually. There will be offenders currently convicted as Class D felons that will be convicted as Class C felons under the Bill. There is no readily available information with which to predict how many additional Class C convictions will occur

under this provision. The imprisonment rate for credit card fraud will increase under Senate File 317, as will the average length of stay in prison for certain offenders.

The correctional impact of creating a new crime, illegal use of scanning device or reencoder, cannot be estimated due to a lack of data. However, creating a new offense and imposing a Class C or Class D felony as the penalty may increase court caseloads, and increase demand for prison, CBC, and county jail resources. Felony convictions, imprisonment rates, and prison length of stay will increase under this provision.

Fiscal Impact

The estimated fiscal impact of SF 317 to the General Fund will be an increased cost of \$2,200 in FY 2004 and \$26,000 in FY 2005. Most of the cost increase is attributed to sentencing offenders to prison for a longer period, 15 months rather than 8 months under current law. There is no data with which to predict the number of offenders under current law that are being convicted as Class D felons, but will be convicted as Class C felons under SF 317. The cost difference for the State between a Class C and Class D felony conviction is \$3,100.

Due to insufficient information, the fiscal impact of creating a new offense under SF 317 cannot be determined. However, the State's cost for one Class D felony conviction ranges from \$1,600 to \$8,300. The State's cost for one Class C felony conviction ranges from \$1,700 to \$11,000. These costs will be incurred over multiple years while the offender is being supervised in a State prison or local community.

Sources

Department of Human Rights, Criminal and Juvenile Justice Planning Division
Department of Corrections
Judicial Branch
State Public Defender's Office

/s/ Dennis C Prouty

March 11, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
